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Healthy Driven

Edward-Elmhurst
HEALTH

November 5, 2018

Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Opposition to Silver Cross Cardiac Surgery CON (Project #18-020)

Dear Ms. Avery:

Edward-Elmhurst Health opposes Project 18-020, Silver Cross Hospital's application to establish a new open heart surgery program. An objective review of data related to cardiac surgery in the area indicates that:

- The market is saturated with cardiac surgery programs, the substantial majority of which are functioning well below the IDPH utilization standard of 200 adult cases per year
- Cardiac surgery procedures in the area have been declining, thus providing little additional evidence that more programs will be needed in the future
- Per IHFSRB rules, the project is duplicative of other services in the area
- Alternatives considered do not include collaboration with other local cardiac surgery programs
- Silver Cross has neither substantiated its volume projections, nor have they considered the negative impact of a new program on other area hospitals

Our objection to the application is based on our premise that:

- There is no access problem that cannot be addressed by collaboration and coordination with other area programs
- The addition of a new programs will increase costs to the system, threaten the economic viability of existing programs, and stress the bandwidth of a highly skilled and specialized workforce.

Area Utilization Trends

A summary of open heart surgical volume trends for programs within HSA 9, the Planning Area for Open Heart Surgery, is provided below (source: IDPH annual surveys). This summary indicates that each of these programs functions precariously close to the 200-procedure utilization standard per the IHFSRB Inventory of Health Care Facilities and Services and Need Determination (page H-2), and well below the 350 procedure threshold established by IHFSRB to determine unnecessary duplication of services (Section 1110.220(b)(3)). Furthermore, the **volume of cardiac surgical procedures in HSA 9 has declined 17% since 2014**. There is no evidence that this trend will reverse itself in the future. This trend does not support the need for an additional program within the HSA 9 Planning Area, nor does it suggest that a new program can operate at a level consistent with IHFSRB standards (200 adult cases annually) without impacting other providers.

Edward-Elmhurst Health
801 South Washington
Naperville, IL 60540

	Travel from Silver Cross Hospital		Total Cardiac Surgeries (IDPH Inventory)		
	Miles	Minutes	CY14	CY15	CY16
HSA9					
Presence Saint Joseph Medical Center – Joliet	8.8	21	249	251	210
Riverside Medical Center	35	54	247	235	193
Subtotal: HSA9			496	486	403
Average per Hospital			248	243	202
Change from Prior Year				-5	-42

An analysis of the 10 programs closest to Silver Cross Hospital (**virtually all within 30 minutes travel time**) shows similar findings. Approximately 1,500 procedures were performed at these facilities in CY 2016, with the majority (60%) of programs falling below the 200-procedure utilization threshold. The volume in this region has been essentially flat since CY 2014. In a flat market, the volumes to support a new program will inevitably come at the expense of existing programs.

Hospital	Travel from Silver Cross Hospital		Total Cardiac Surgeries (IDPH Inventory)		
	Miles	Minutes	CY14	CY15	CY16
Presence Saint Joseph Medical Center – Joliet	8.8	21	249	251	210
Palos Community Hospital	15.2	27	252	247	255
Franciscan Health - Olympia Fields	18.6	23	105	99	99
Ingalls Memorial Hospital	20.5	25	34	49	30
Edward Hospital	22.7	33	296	274	299
Advocate Good Samaritan Hospital	23.0	26	313	302	334
AMITA Health Adventist Medical Center - La Grange	23.3	27	0	54	35
AMITA Health Adventist Medical Center - Hinsdale	23.6	31	71	93	88
MetroSouth Medical Center	23.7	25	42	14	25
Elmhurst Hospital	29.0	30	168	175	160
Subtotal: 10 Closest Cardiac Surgery Programs			1,530	1,558	1,535
Average per Hospital	20.8	26.8	153	156	154
Change from Prior Year				3	-2

Projected Impact on Health Care Cost

Cardiac surgery programs require significant investment to initiate and sustain. The Silver Cross program alone **will add \$22 Million in capital cost** to the system (page 0133), even before considering the significant operating costs (staff, training, supplies and equipment, and multiple support services—including perioperative support, patient education and navigation, perfusion, data registry, and inventory management) required to establish a viable program.

Unfortunately, fixed costs remain in place regardless of how many programs operate in an area. As additional programs open, new fixed costs are simply added to the system, and these costs are passed on to patients. The cost impact of ambulance transfers and other unsubstantiated costs identified by Silver Cross (Application #18-020, page 0064) pale in comparison to the added infrastructure costs that are incurred with the establishment of a new program. Establishment of a new program in an area saturated with existing programs will most certainly add to, rather than reduce, the cost burden already experienced by patients.

The average cost of a cardiac surgical procedure is approximately \$35,000. The cost of structural heart procedures is even higher—for example, a trans-aortic heart procedure (TAVR) carries an average variable cost of over \$58,000. It is because of the high cost of these programs that IHFSRB rules and utilization standards exist. The Act “considers the projected impact on healthcare costs by evaluating financial and economic feasibility of proposed projects” and establishes guidelines to ensure volume thresholds are in place to ensure both quality and cost effectiveness. It is clear that approval of this project will violate the intention of the Act, considering:

- It will add \$22 million in capital costs and an unspecified amount of operating cost
- It is unlikely that IHFSRB volume standards will be met without a significant impact on other programs

Projected Impact on Existing Programs

Approval of this project will both add costs to the system and, by depleting the volumes at existing facilities, threaten the economic viability of their programs. As indicated above, the majority of nearby hospitals operate well below IHFSRB thresholds. Certain of these programs have service areas that substantially overlap with Silver Cross, and as such generate significant volume from its market area. For example, at Presence (AMITA) St. Joseph Medical Center – Joliet and Palos Community Hospital, 74% and 54%, respectively, of cardiac surgery volumes come from the Silver Cross service area (IHA CompData). It stands to reason that a negative volume shift from these programs will have negative financial consequences, particularly in an environment where hospital reimbursement is falling each year.

Beyond the financial consequences, the IHFSRB must consider that cardiac surgery programs—particularly very specialized structural heart programs as proposed by Silver Cross Hospital—require a highly skilled workforce. The approval of yet another program in the area will present a challenge to workforce retention. It is also notable that more than half of cardiothoracic surgeons in the United States are older than 50 years, with more than 15 percent between the ages of 65 and 74 years. An impending shortage of cardiothoracic surgeons is well documented. Trained cardiac surgery nurses, perfusionists, and other clinical staff are already in short supply. These challenges would suggest

greater consolidation, rather than proliferation of new sites, is called for as we proceed intentionally toward “an orderly and comprehensive health care delivery system (Section 1100.30 a).”

Projected Impact on Edward Hospital

Contrary to information provided in the letter submitted by Donna Cooper of DuPage Medical Group (CON Application #18-020, page 97), Edward Hospital does in fact operate a comprehensive structural heart program—one where DuPage Medical Group physicians actively participate. Edward’s is one of the highest volume structural heart programs in Illinois, with over 300 structural heart cases in CY 2017, including more than 200 Trans-Aortic Valve Replacement (TAVR) cases. Edward is an international training site for advanced cardiovascular procedures and is recognized nationally as a pioneer in innovative cardiovascular treatment. It is located slightly over 30 minutes from Silver Cross Hospital.

Consistently recognized as a nationally ranked “Top 50” Cardiovascular Program, outcomes are among the best in the country. In CY 2017, Edward’s risk-adjusted mortality rate was 0.5%, comparing favorably to the Society for Thoracic Surgery (STS) mortality rate of 2.3%. Complication rate for isolated Coronary Artery Bypass Grafts (CABG) was 9.1%, well below the STS comparative of 12.8%.

There is no evidence that the 22 miles (33 minute travel time) between Silver Cross and Edward Hospital has any negative impact on clinical quality or patient outcomes. Furthermore, there appears to be no negative correlation between transfers from other hospitals and quality. In a recent study of 22 patients transferred to Edward from other hospitals for open heart surgery, there were **no** hospital mortalities or major complications in this population. Median length of stay (LOS) “surgery to discharge” was 5 days. Median LOS “admit to discharge” was 7 days. This LOS is identical to the general (non-transferred) population. There is no evidence that quality or efficiency has been compromised due to transfer from other hospitals.

Edward’s achievements in cardiovascular excellence have required significant organizational investment. It is essential to maintain high volumes to ensure we remain financially viable and continue to invest in future innovation. At Edward Hospital, 11% of cardiac cases are generated from the Silver Cross service area. The potential loss of this volume threatens the economic viability of the program--and more importantly, our ability to fund future investments in cardiac innovation.

Project is Duplicative and Does Not Meet IHFSRB Rules

Pursuant to Section 1110.220(b)(3), “The applicant must document that the volume of any existing service within 10 miles from the applicant will not be reduced below 350 procedures annually for adults and 75 procedures annually for pediatrics.”

Even under this recently revised and very liberal definition (prior rules considered duplication within a 90-minute radius), there is clear duplication of services in the area, with Presence Saint Joseph Medical Center (distance of 8 miles) experiencing volumes of only 210 cardiac surgery cases in CY 2016.

As indicated above, the vast majority of the facilities within a 30 minute travel time do not meet IHFSRB utilization standards of 200 annual cases. The approval of a new program where access issues clearly do not exist will simply diminish the volumes of existing programs even further.

Alternatives Presented Do Not Consider Coordination with Existing Programs

Criterion 1110.110 (d) requires applicants to submit alternatives to their proposed project, including:

- A) Proposing a project of greater or lesser scope and cost
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes**
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project**

Silver Cross has not considered B) and C) in its application, yet it seems an obvious alternative would be to collaborate more closely with other area providers to ensure the needs of patients are fully met.

Silver Cross has presented no credible evidence that quality of care to its patients has been compromised by its lack of a cardiac surgery program. In fact, it has been able to achieve national recognition as a quality provider despite the absence of this program. While we fully support access for all patients, we submit that, with 10 programs within approximately 30 minutes travel time of Silver Cross Hospital, access is not a significant barrier to quality care in this area. While excessive travel times and distances are cited throughout the application, we would suggest that the additional average travel time required to access these programs (16 minutes, per page 0074) is neither excessive nor unexpected in a suburban area.

Edward Hospital cardiac surgery program is a regional prover that draws 51% of its patients from areas outside of its Primary Service Area. As such, it has developed robust processes for patient and family navigation, education and engagement, physician referral management and patient transfer management. We make every effort to schedule all pre-and post-operative testing on the same day, offer transportation and lodging when needed, and ensure good communication with patients, families and referring physicians. It does so with a deep concern and focus on patient-centered care, which has resulted in consistently positive outcomes and patient satisfaction.

Credibility of Silver Cross Volume Projections

It is difficult to fathom that Silver Cross can achieve their projected volumes of 220 patients in Year 1 and 240 patients in Year 2 (**a 9% increase in a declining market**) when so few long-standing programs have achieved this level of utilization. This would suggest the analytic model presented by Silver Cross is substantially flawed (Project Need: pages 0058-0060).

Silver Cross reported based its projections on total cardiac catheterization procedures, while the relevant cases for projecting cardiac surgeries is **diagnostic cases**. **Interventional cases** rarely get surgery in the same year as they are getting stents as an alternative to surgery. At Edward Hospital, well under 1% of interventional catheterization patients receive surgery. Note also that, per definitions provided by IDPH in the Inventory, volumes presented represent **procedures** and not individual patients. To the

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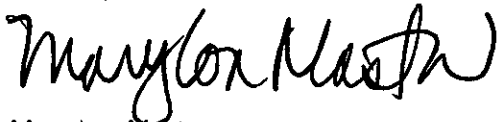
extent to which patients are coded with multiple procedures, the correlation with heart surgery volumes may be over-stated.

Conclusion

A stated purpose of the Health Facilities and Services Review Board is, through the process of orderly and economic development of health care facilities, to avoid unnecessary duplication of facilities and services. Silver Cross Project # 18-020 does not meet the intention of the Act, will add disproportionate costs relative to improvement in access, and will have a negative impact on other programs. It is for these reasons that we oppose this project.

Thank you for your consideration.

Sincerely,



Mary Lou Mastro
System CEO
Edward-Elmhurst Health

Cc: Mike Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

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Administrator
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Re: Opposition to Silver Cross Cardiac Surgery CON (Project #18-020)

Dear Ms. Avery:

In response to Mary Bakken's letter dated August 16, 2018 regarding Silver Cross's intent to establish an open heart surgery category of service, I am forwarding my concerns about the impact on Edward Hospital.

Edward Hospital is a nationally recognized heart center, and has developed a reputation for innovation in cardiovascular care. Edward has been providing open heart surgery for over 30 years. Contrary to the statement provided by Donna Cooper of DuPage Medical Group (Silver Cross CON Application #18-020, page 97), Edward has been providing comprehensive structural heart services since 2012 (a program DuPage Medical Group actively participates in). In fact, we were among the first community hospitals in Illinois to develop this competency. In 2017, Edward was the largest provider of trans-aortic valve replacements (TAVRs) in Illinois. Edward serves as an international training site for advanced cardiovascular procedures—a unique position among community hospital providers. Our longstanding investment in cardiovascular innovation has resulted in exceptional access to an advanced level of care for residence of the broader western/southern suburban Chicago region.

In 2017, eleven percent (11%) of Edward's cardiac surgery cases came from Silver Cross's service area. Clearly, loss of this volume will have a negative financial impact on our program and our ability to continually invest in cardiovascular innovation. Our program consistently generates outcomes that far exceed national benchmarks. There has been absolutely no evidence that transfers from Silver Cross (located approximately 30 minutes away) have resulted in delays in care, longer length of stay, or negative outcomes. In fact, internal studies indicate complete consistency in quality, cost and efficiency regardless of transfer status.

The area is already over-saturated with cardiovascular surgery program, with ten (10) open heart surgery programs within approximately 30 minute travel time from Silver Cross Hospital. There are 44 programs within 60 minutes and 64 programs within 90 minutes. The majority of these are operating with volumes well below IHFSRB utilization standards. Further, the volumes of these programs are largely declining. The addition of another program will have a negative financial impact on these programs. Perhaps more importantly, it will stress the limited bandwidth of the talent pool available to operate these highly specialized and critical services. Ultimately this will have a negative impact on both quality and access throughout the region.

Edward Hospital
801 S. Washington Street
Naperville, IL 60540

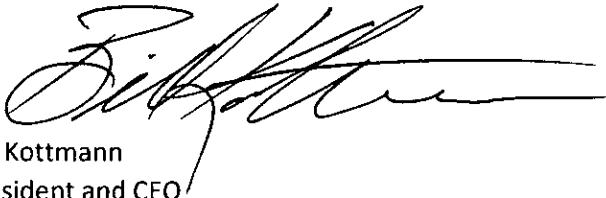
Elmhurst Hospital
155 E. Brush Hill Road
Elmhurst, IL 60126

EEHealth.org

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
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Thank you for this opportunity to oppose the Silver Cross application.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Kottmann", with a long horizontal flourish extending to the right.

Bill Kottmann
President and CEO
Edward Hospital

Cc: Mike Constantino

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525 West Jefferson Street, 2nd Floor
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Re: Opposition to Silver Cross Cardiac Surgery CON (Project #18-020)

Dear Ms. Avery:

In response to Mary Bakken's letter dated August 16, 2018 regarding Silver Cross's intent to establish an open heart surgery category of service, I am forwarding my concerns about the impact on Elmhurst Hospital and our System. Note that in 2017, eight percent (8%) of Edward-Elmhurst system-wide cardiac surgery cases came from Silver Cross's service area.

Elmhurst Hospital works collaboratively with Edward Hospital to deliver comprehensive cardiovascular services, including open heart and structural heart services, to the region's residents. This collaboration allows us to provide a full array of services in a way that minimizes duplication and promotes cost effective access to advanced capabilities. While the two hospitals are approximately 20 miles apart, we have effectively avoided duplication while optimizing quality and efficiency through effective coordination and transfer processes—ensuring patients receive the right services at the right campus.

Based on our experience, I can confidently state that transfers between the two facilities have not resulted in delays in care, longer length of stay, or negative outcomes. There is no reason to believe that patients from Silver Cross, located a similar distance from Edward, would experience anything different.

Given the multitude of programs throughout metropolitan Chicago, the talent pool to support advanced cardiovascular services is already in high demand. The addition of another program will negatively impact the ability to recruit and retain this highly specialized workforce.

Our system has demonstrated the ability to collaborate effectively to delivery high quality care throughout the region. Certainly this appears to be a more prudent approach to ensuring cost effective access to area residents than opening a new program that is both costly and duplicative.

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801 S. Washington Street
Naperville, IL 60540

Elmhurst Hospital
155 E. Brush Hill Road
Elmhurst, IL 60126

EEHealth.org

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
Page 2

Thank you for this opportunity to oppose the Silver Cross application.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Dunley". The signature is fluid and cursive, with the first name "Pamela" and last name "Dunley" clearly distinguishable.

Pamela Dunley
President and CEO
Elmhurst Hospital

Cc: Mike Constantino

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761